

OPERATING FUND



PRELIMINARY & UNAUDITED FINANCIAL HIGHLIGHTS

February 28, 2022

A handwritten signature in black ink, appearing to read "Eugene H. Schied", is positioned above the name of the Chief Financial Officer.

**EUGENE H. SCHIED
CHIEF FINANCIAL OFFICER**

NATIONAL CREDIT UNION ADMINISTRATION OPERATING FUND

MANAGEMENT OVERVIEW FEBRUARY 28, 2022

Balance Sheets

Cash and cash equivalents had a month-end balance of approximately \$114.7 million. The balance decreased by \$7.8 million for the month due to cash disbursements for operating expenses and capital expenditures. The cash position is considered sufficient to cover current and future budgetary obligations of the Fund through April 2022, at which time the Fund will collect the 2022 operating fees from its credit union members.

Due from National Credit Union Share Insurance Fund of \$19 thousand represents the receivable for expenses paid by the Operating Fund.

Other accounts receivable, net had a month-end balance of approximately \$20.9 million. Its balance increased by approximately \$10.4 million from prior month primarily due to the unbilled receivable for the 2022 Operating Fee. The Operating Fee will be invoiced in March and collected in April.

Accounts payable are trade, relocation and inter-agency payables. The balance increased by \$2.7 million for the month primarily due to vendor/trade and overhead transfer payables.

Accrued wages and benefits are earned by NCUA staff, but remain unpaid at month-end.

Accrued annual leave is leave earned by NCUA staff, but not yet used.

Statements of Revenues, Expenses, and Changes in Fund Balance

Revenues in excess of expenses totaled \$1.8 million for the month. Operating fees reflect one-twelfth of the 2022 Operating Fees. Expenses, net are after the overhead transfer rate adjustment that allocates a portion of expenses to the Share Insurance Fund.

Statements of Cash Flows

The cash position decreased \$7.8 million from prior month. In the current month, \$5.8 million was used in operating activities and \$2.0 million was used in investing activities. There were no financing activities in the current month.

Other Information

The NCUA had 64 vacancies as of month-end, which represents 5.3 percent of the total authorized staff of 1,201. Of the 64 vacancies, there were 14 vacancies under the authorized positions in the central office and 50 vacancies under the authorized positions in the regions and Asset Management and Assistance Center (AMAC).

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

BALANCE SHEETS

As of February 28, 2022 and 2021

(Dollars in thousands)

	February 2022	February 2021
ASSETS		
Cash and cash equivalents	\$ 114,745	\$ 96,010
Due from National Credit Union Share Insurance Fund	19	100
Employee advances	5	16
Other accounts receivable, Net	20,867	21,018
Prepaid expenses and other assets	5,436	5,094
Fixed assets ¹	30,532	27,801
Intangible assets ²	30,330	34,041
TOTAL ASSETS	\$ 201,934	\$ 184,080
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable and accrued other liabilities	\$ 20,118	\$ 8,623
Obligations under capital leases	26	89
Accrued wages and benefits	9,982	8,825
Accrued FECA and unemployment benefits	175	154
Accrued actuarial FECA benefits	3,999	4,381
Accrued annual leave	22,149	22,338
TOTAL LIABILITIES	56,449	44,410
FUND BALANCE	145,485	139,670
TOTAL LIABILITIES AND FUND BALANCE	\$ 201,934	\$ 184,080

¹ Net of accumulated depreciation of \$40,798 and \$39,414 as of February 28, 2022 and February 28, 2021, respectively

² Net of accumulated amortization of \$30,753 and \$24,959 as of February 28, 2022 and February 28, 2021, respectively

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE

For the periods ended February 28, 2022 and 2021

(Dollars in thousands)

	<u>February 2022</u>	<u>Year-to-Date February 2022</u>	<u>Year-to-Date February 2021</u>
REVENUES			
Operating fees	\$ 10,324	\$ 20,649	\$ 20,860
Interest	3	8	10
Other	<u>26</u>	<u>59</u>	<u>37</u>
Total Revenues	<u>10,353</u>	<u>20,716</u>	<u>20,907</u>
EXPENSES, NET¹			
Employee wages and benefits	6,859	14,430	13,999
Travel	16	25	27
Rent, communications, and utilities	136	204	376
Contracted services	1,181	3,320	2,339
Depreciation and amortization	306	612	604
Administrative	<u>69</u>	<u>209</u>	<u>186</u>
Total Expenses, Net	<u>8,567</u>	<u>18,800</u>	<u>17,531</u>
EXCESS OF REVENUES OVER / (UNDER) EXPENSES	1,786	1,916	3,376
FUND BALANCE—Beginning of period	<u>143,699</u>	<u>143,569</u>	<u>136,294</u>
FUND BALANCE—End of period	<u>\$ 145,485</u>	<u>\$ 145,485</u>	<u>\$ 139,670</u>

¹ Operating Fund expenses are the total NCUA operating expenses minus the Share Insurance Fund allocation as determined by the overhead transfer rate.

The balances in the statement above are preliminary and unaudited.

**NATIONAL CREDIT UNION ADMINISTRATION
OPERATING FUND**

STATEMENTS OF CASH FLOWS

For the periods ended February 28, 2022 and 2021

(Dollars in thousands)

	February 2022	Year-to-Date February 2022	Year-to-Date February 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Excess of revenues over (under) expenses	\$ 1,786	\$ 1,916	\$ 3,376
Adjustments to reconcile excess of revenues over (under) expenses to net cash provided by operating activities:			
Depreciation and amortization	808	1,617	1,594
(Increase) decrease in assets:			
Due from National Credit Union Share Insurance Fund	5	4,899	3,162
Other accounts receivable, net	(10,366)	(20,568)	(20,703)
Prepaid expenses and other assets	(822)	(1,545)	(1,060)
(Decrease) increase in liabilities:			
Accounts payable	2,741	2,818	534
Accrued wages and benefits	40	(2,362)	(1,764)
Accrued employee travel	-	(93)	(82)
Net Cash Provided by/(Used in) Operating Activities	(5,808)	(13,318)	(14,943)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of fixed and intangible assets	(2,023)	(1,552)	(434)
Net Cash Provided by/(Used in) Investing Activities	(2,023)	(1,552)	(434)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net Cash Provided by/(Used in) Financing Activities	-	-	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	(7,831)	(14,870)	(15,377)
CASH AND CASH EQUIVALENTS—Beginning of period	122,576	129,615	111,387
CASH AND CASH EQUIVALENTS—End of period	\$ 114,745	\$ 114,745	\$ 96,010
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES			
Acquisition of equipment under capital lease	\$ -	\$ -	\$ -

The balances in the statement above are preliminary and unaudited.